



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

December 11, 2003

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

FEDERAL LEGISLATIVE UPDATE

Federal Fiscal Year (FFY) 2004 Omnibus Appropriations Bill

Before recessing for the year on December 8, 2003, the House voted 242 to 176 to adopt the conference report (H. Rpt. 108-401) for the FFY 2004 omnibus appropriations bill (H.R. 2673), which funds Federal programs that otherwise would be funded under one of the seven FFY 2004 appropriations bills which have not yet been enacted. This includes funding for all grant programs of County interest except for those programs administered by the Department of Homeland Security. On December 9, 2003, however, the Senate recessed without adopting the conference report, and will not vote on the conference report until after it returns on January 20, 2004. In the meantime, Federal programs, which, otherwise, would be funded under H.R. 2673, will be temporarily funded at current levels through January 31, 2004.

Similar to recent years, the conference report includes an across-the-board cut that will be applied to all discretionary domestic programs to keep overall spending under an overall discretionary spending cap. Under H.R. 2673, a 0.59% cut will be applied to all FFY 2004 discretionary spending except for Commerce-Justice-State (CJS) programs which also will be subject to an additional 0.465% cut. In FFY 2003, a 0.65% across-the-board cut was applied to most discretionary programs. The across-the-board cut may not end up affecting the amount of funds available to the County because the reduction can be offset if Federal programs withhold a smaller amount of total funding for Federal administrative costs. For example, in FFY 2003, the 0.65% across-the-board cut that was applied to the State Criminal Alien Assistance Program (SCAAP) did not affect SCAAP payments because far less SCAAP funds were withheld for Federal administrative costs than in prior years.

As seen in the attached table, the bill provides approximately the same amount of funding in FFY 2004 as in FFY 2003 for most programs of County interest with a few exceptions, which include the following:

- SCAAP is increased from \$248 million in FFY 2003 to \$297 million in FFY 2004.
- COPS is cut from a total of \$978 million in FFY 2003 to \$748 million in FFY 2004, which includes \$119 million for hiring police officers, \$84 million for interoperable communications, \$157 million for law enforcement technology, \$99 million for a DNA/crime lab initiative, and \$30 million for the Southwest Border prosecution initiative.
- Local Law Enforcement Block Grant funding is cut from \$397 million in FFY 2003 to \$223 million in FFY 2004.
- Juvenile Accountability Block Grant funding is cut from \$189 million in FFY 2003 to \$59 million in FFY 2004.
- Community Health Center funding is increased from \$1,505 million in FFY 2003 to \$1,618 million in FFY 2004.

Also of County interest, H.R. 2763 redirects \$225 million for hazard mitigation, tree removal, and other activities relating to the recent wildfires in Southern California. The bill also provides nearly \$1 billion more funds for the Section 8 housing voucher program than requested by the President in order to fund all vouchers currently in use. While the conferees rejected the President's proposal to convert the Section 8 program into a Housing Assistance for Needy Families Block Grant to states which your Board opposes, they included \$100 million for the President's new substance-abuse treatment voucher program, which your Board supports.

The conference report also includes earmarked funding for the following projects and activities of County interest:

- \$1,000,000 to the Sheriff's Department for law enforcement technologies;
- \$200,000 to the Sheriff's station in Lakewood for technology improvements;
- \$100,000 to Los Angeles County for planning and construction of a cultural and performing arts center at El Pueblo State Historic Park;
- \$450,000 to Los Angeles County for construction of a library in La Crescenta;

- \$1,200,000 for the Alameda Corridor-East, Gateway to America Project, Phase II (Intelligent Transportation Systems Program);
- \$2,000,000 for the Alameda Corridor-East, Gateway to America Project, Phase II (National Corridor Planning and Border Development Program);
- \$4,000,000 for the Pasadena Metro Gold Line Light Rail Project, Phase II;
- \$3,000,000 for the Santa Clarita Cross Valley Connector; and
- \$1.0 million for Southern California Maglev planning.

As indicated in news reports, this bill contains an unprecedented number of earmarked projects. Overall, the County would receive far more Federal funding if funds used for earmarks, instead, were allocated by formula. For example, under the Community Development Block Grant (CDBG) program, \$590 million of the \$4.9 billion in FFY 2004 CDBG appropriations was used to fund more than 950 earmarked projects, including \$100,000 to the County for El Pueblo State Historic Park and \$450,000 to the County for the construction of a library in La Crescenta. If CDBG formula grant funding, instead, were increased by \$590 million, the County would receive more than \$5 million in additional CDBG funds, and your Board, not Congress, would decide which projects would be funded.

The omnibus appropriations bill also includes the following legislative language of County interest:

SCAAP: The bill includes a proviso that SCAAP “funds shall be disbursed only as a direct reimbursement for each State’s documented cost for incarcerating undocumented criminal aliens.” The intent of this language is unclear given that SCAAP funds always have been used only to reimburse the cost of incarcerating undocumented criminal aliens. The County’s Washington advocates are working with our Congressional delegation to make sure that “documented cost” is not interpreted to mean that SCAAP may only reimburse costs for undocumented criminal aliens whose immigration status can be verified.

Under the current SCAAP application process, states and counties submit identifying information on alien inmates to the Department of Justice (DOJ), which conducts a computer match of records against the Federal data base on known aliens. This records match can verify the immigration status of inmates who are in the Federal data base, but undocumented aliens who entered the country without inspection are not in the data base. Recognizing this, DOJ provides states and localities with partial credit for alien inmates whose immigration status cannot be verified using this computer match.

This fall, DOJ and some Members of Congress have raised the issue of whether the cost of incarcerating undocumented aliens whose immigration status cannot be verified should continue to be reimbursed by SCAAP. DOJ estimates that FFY 2003 SCAAP payments nationally would have been \$80 million less if reimbursement had been limited to verifiable undocumented aliens and that the County would have received 19% (\$2.2 million) less SCAAP funding. Limiting SCAAP reimbursement to undocumented aliens whose immigration status is verified is unfair given that there are undocumented alien inmates who are not in the Federal database used to determine reimbursable SCAAP costs for the very reason that they never were screened by Federal immigration agents. The County would not have any unverifiable SCAAP costs if the Federal government had screened all foreign-born inmates in the County's custody, as we have repeatedly requested.

Welfare-to-Work (WtW): The bill would rescind any unexpended FFY 1999 WtW funds as of the date of the bill's enactment. The prior Senate version would have rescinded any unspent FFY 1999 WtW funds as of September 30, 2003 when the County's Workforce Investment Board (WIB) had about \$5.2 million in unexpended funds. Under current law, WtW funds in California must be spent by July 15, 2004. In response to the threat that WtW funds may be rescinded, the County's WIB notified service providers that they should expedite the use of remaining WtW funds. At this time, the County's WIB believes that its remaining WtW balance is less than \$1 million, and that little, if any, WtW funds will not be expended by the time the Senate reconvenes on January 20, 2004.

Social Services Block Grant (SSBG): The bill includes language authorizing states to transfer up to 10% of their Temporary Assistance for Needy Families allotments to the SSBG Program.

We will continue to keep you advised of any new developments.

DEJ:GK
MAL:MT:ib

Attachment

c: Executive Officer, Board of Supervisors
 County Counsel
 All Department Heads
 Legislative Strategist

**FUNDING LEVELS IN CONFERENCE COMMITTEE VERSION OF H.R.2673 FEDERAL
FISCAL YEAR 2004 OMNIBUS APPROPRIATIONS BILL
(in millions)**

PROGRAMS	2003	President 2004	Final 2004
Justice			
State Criminal Alien Assistance Program	\$ 248	\$ 0	\$ 297
COPS	978	164	748
Local Law Enforcement Block Grant	397	20	223
Byrne Formula Grant	497	0	495
Justice Assistance Grant ¹	0	586	0
Juvenile Justice Formula Grant	83	89	83
Juvenile Accountability Block Grant	189	0	59
Health and Human Services			
Bioterrorism Public Health Grants	940	518	940
HRSA Hospital Preparedness Grants	518	518	518
Ryan White AIDS Emergency Relief Grants	619	619	615
Ryan White Comprehensive Care	1,053	1,077	1,080
Ryan White AIDS Total	2,018	2,010	2,045
Community Health Centers	1,505	1,627	1,618
Substance Abuse Block Grant	1,754	1,785	1,779
Mental Health Block Grant	437	433	435
Maternal and Child Health Grant	730	751	730
Family Planning	273	265	278
Community Access Program	104	104	104
Preventive Health Block Grant	134	135	133
Social Services Block Grant	1,700	1,700	1,700
Community Services Block Grant	646	495	642
Child Welfare Services	290	292	290
Independent Living ²	182	200	185
Promoting Safe and Stable Families	404	505	404
Child Care Development Block Grant	4,803	4,817	4,804

PROGRAMS	2003	President 2004	Final 2004
Refugee Assistance	478	462	448
Administration on Aging (AoA) Total	1,367	1,344	1,374
AoA Family Caregivers	149	142	153
AoA Nutrition	714	718	714
AoA Supportive Services	356	357	354
Labor			
Dislocated Workers	1,455	0	1,454
Adult Training	895	0	899
Youth Training	994	751	995
Consolidated WIA Grant ³	0	3,080	0
Title-V Older Americans Employment	442	440	439
Housing and Urban Development			
Community Development Block Grant (Formula Grant)	4,340	4,436	4,331
Homeless Assistance Grants	1,217	1,325	1,260
HOME	1,912	2,197	1,919
Public Housing Operating Fund	3,577	3,574	3,579
Public Housing Capital Fund	2,712	2,641	2,696
Housing Opportunities for Persons with AIDS	290	297	295
Other			
Federal Aid to Highways Obligation Ceiling	31,593	29,294	33,643
Election Reform Grants	1,480	490	1,491

Footnotes

1	President proposed consolidating the Local Law Enforcement Block Grant and Byrne Formula Grant into a new Justice Assistance Grant in FFY 2004.
2	Included \$45 million for Independent Living Training Voucher Grants.
3	President proposed consolidating the State Employment Service, Dislocated Worker, and Adult Training Grants into a single Workforce Investment Act (WIA) block grant.